

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

TOWN OF CLOVERDALE
PUTNAM COUNTY, INDIANA

January 1, 2013 to December 31, 2014



FILED
04/14/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Cheryl Galloway	01-01-12 to 12-31-19
President of the Town Council	Coweta Patton	01-01-13 to 12-31-16
Superintendent of Utilities	J. Richardson Saucerman (Interim)	01-01-13 to 12-18-13
Superintendent of Public Works	Chuck Knuf	12-19-13 to 11-13-14
Town Manager	Wayne Galloway	11-14-14 to 12-31-16



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF CLOVERDALE, PUTNAM COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Town of Cloverdale (Town), which comprises the financial position and results of operations for the period of January 1, 2013 to December 31, 2014, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the Town prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the period of January 1, 2013 to December 31, 2014.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the period of January 1, 2013 to December 31, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 7, 2016, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

January 7, 2016



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE TOWN OF CLOVERDALE, PUTNAM COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Town of Cloverdale (Town), which comprises the financial position and results of operations for the period of January 1, 2013 to December 31, 2014, and the related notes to the financial statement, and have issued our report thereon dated January 7, 2016, wherein we noted the Town followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be a material weakness.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Town's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001.

Town of Cloverdale's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

January 7, 2016

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the Town. The financial statement and notes are presented as intended by the Town.

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TOWN OF CLOVERDALE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2013 and 2014

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13	Receipts	Disbursements	Cash and Investments 12-31-14
GENERAL FUND	\$ 343,410	\$ 595,868	\$ 511,215	\$ 428,063	\$ 540,166	\$ 522,385	\$ 445,844
MOTOR VEHICLE HIGHWAY	39,725	116,310	99,063	56,972	131,425	118,756	69,641
LOCAL ROAD & STREET	36,085	11,086	11,077	36,094	11,190	11,752	35,532
LOCAL LAW ENF CONT ED	4,909	1,698	2,050	4,557	12,667	11,196	6,028
PARK DONATION	1,821	468	472	1,817	3,023	-	4,840
RAINY DAY	38,981	56,000	-	94,981	-	8,903	86,078
ECONOMIC DEV INCOME TAX	243,596	130,732	114,008	260,320	52,845	211,314	101,851
LEVY EXCESS FUND	1,033	-	1,033	-	-	-	-
CUM CAP IMP - CIG TAX	44,339	5,838	5,460	44,717	5,748	3,339	47,126
CUM CAP DEVELOPMENT	168,961	32,123	13,100	187,984	33,627	78,735	142,876
RIVERBOAT	27,650	12,867	3,140	37,377	12,867	10,272	39,972
OCRA Grant Fund	-	530,880	530,880	-	150,000	150,000	-
Food & Beverage	-	9,402	-	9,402	92,441	43,079	58,764
BIRTHDAY CELEBRATION	-	-	-	-	4,952	4,953	(1)
K-9 DONATION	-	-	-	-	5,357	2,940	2,417
WATER BILL DONATION	100	-	-	100	-	100	-
POLICE DONATION	2,122	450	1,014	1,558	1,222	2,751	29
CRIMINAL INVESTIGATION	1,454	-	1,236	218	-	218	-
POLICE RESERVES	2,616	-	1,333	1,283	-	773	510
VISA	84,505	222,512	286,017	21,000	277,922	272,737	26,185
RD CAPITALIZATION INT	21,455	-	21,455	-	-	-	-
RD DEBT RESERVE ACCT	44,048	-	-	44,048	-	-	44,048
RD TAX INCREMENT ACCT	148,304	59,392	46,755	160,941	36,185	106,387	90,739
CEDIT BOND	301	-	-	301	-	-	301
COPS GRANT JUSTICE PROGRAM	14	-	-	14	-	14	-
SRF - DSR	285,825	6	-	285,831	-	-	285,831
SRF SINKING FUND	225,427	284,255	281,223	228,459	285,043	282,135	231,367
PAYROLL	2,286	545,882	541,793	6,375	662,540	658,827	10,088
SEWAGE UTILITY OPERATING	(21,052)	1,097,734	855,250	221,432	917,501	1,049,835	89,098
SEWAGE UTL DEPRECIATION	21,688	35	-	21,723	42,222	12,412	51,533
SEWER TAPS	2,000	-	-	2,000	1,000	-	3,000
SEWAGE SURPLUS 231 PROJ	2,856	-	-	2,856	-	2,856	-
SEWAGE TOWN 2001	3,264	-	-	3,264	-	3,264	-
WATER UTILITY OPERATING	88,269	644,929	563,212	169,986	648,104	744,821	73,269
WATER UTL BOND & INTEREST	-	68,963	68,963	-	78,167	72,300	5,867
WATER UTL DEPRECIATION	49,345	75	-	49,420	53,776	50,392	52,804
WATER UTL METER DEPOSIT	29,682	8,700	2,200	36,182	8,260	11,256	33,186
WATER 2011 CONSTRUCTION	7,518	-	-	7,518	-	7,518	-
WATER TAP FEES	10,352	-	-	10,352	1,000	-	11,352
DEBT SERVICE WATER	14,700	-	-	14,700	-	-	14,700
Stormwater	-	-	-	-	7,461	3,353	4,108
Totals	\$ 1,977,589	\$ 4,436,205	\$ 3,961,949	\$ 2,451,845	\$ 4,076,711	\$ 4,459,573	\$ 2,068,983

The notes to the financial statement are an integral part of this statement.

TOWN OF CLOVERDALE
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, and wastewater.

The accompanying financial statement presents the financial information for the Town.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

TOWN OF CLOVERDALE
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable television receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

TOWN OF CLOVERDALE
NOTES TO FINANCIAL STATEMENT
(Continued)

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable

TOWN OF CLOVERDALE
NOTES TO FINANCIAL STATEMENT
(Continued)

property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

TOWN OF CLOVERDALE
NOTES TO FINANCIAL STATEMENT
(Continued)

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

OTHER INFORMATION - UNAUDITED

The Town's Annual Financial Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Financial Report of the Town which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	GENERAL FUND	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	LOCAL LAW ENF CONT ED	PARK DONATION	RAINY DAY	ECONOMIC DEV INCOME TAX
Cash and investments - beginning	\$ 343,410	\$ 39,725	\$ 36,085	\$ 4,909	\$ 1,821	\$ 38,981	\$ 243,596
Receipts:							
Taxes	265,243	-	-	-	-	-	-
Licenses and permits	12,925	-	-	1,475	-	-	-
Intergovernmental	196,105	108,881	11,086	-	-	-	50,362
Charges for services	490	-	-	173	-	-	-
Fines and forfeits	9,324	-	-	50	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	111,781	7,429	-	-	468	56,000	80,370
Total receipts	<u>595,868</u>	<u>116,310</u>	<u>11,086</u>	<u>1,698</u>	<u>468</u>	<u>56,000</u>	<u>130,732</u>
Disbursements:							
Personal services	176,511	40,429	-	-	-	-	-
Supplies	35,246	15,674	1,097	530	-	-	221
Other services and charges	125,101	35,371	2,300	1,520	472	-	33,417
Debt service - principal and interest	-	5,589	-	-	-	-	-
Capital outlay	18,357	2,000	7,680	-	-	-	80,370
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	156,000	-	-	-	-	-	-
Total disbursements	<u>511,215</u>	<u>99,063</u>	<u>11,077</u>	<u>2,050</u>	<u>472</u>	<u>-</u>	<u>114,008</u>
Excess (deficiency) of receipts over disbursements	<u>84,653</u>	<u>17,247</u>	<u>9</u>	<u>(352)</u>	<u>(4)</u>	<u>56,000</u>	<u>16,724</u>
Cash and investments - ending	<u>\$ 428,063</u>	<u>\$ 56,972</u>	<u>\$ 36,094</u>	<u>\$ 4,557</u>	<u>\$ 1,817</u>	<u>\$ 94,981</u>	<u>\$ 260,320</u>

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	LEVY EXCESS FUND	CUM CAP IMP - CIG TAX	CUM CAP DEVELOPMENT	RIVERBOAT	OCRA Grant Fund	Food & Beverage	BIRTHDAY CELEBRATION
Cash and investments - beginning	\$ 1,033	\$ 44,339	\$ 168,961	\$ 27,650	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	28,644	-	-	9,402	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	5,831	3,479	12,867	530,880	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	7	-	-	-	-	-
	-	7	-	-	-	-	-
Total receipts	-	5,838	32,123	12,867	530,880	9,402	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	665	-	-	-	-	-
Other services and charges	-	-	-	3,140	-	-	-
Debt service - principal and interest	-	-	7,784	-	-	-	-
Capital outlay	-	4,795	5,316	-	530,880	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,033	-	-	-	-	-	-
	1,033	-	-	-	-	-	-
Total disbursements	1,033	5,460	13,100	3,140	530,880	-	-
Excess (deficiency) of receipts over disbursements	(1,033)	378	19,023	9,727	-	9,402	-
Cash and investments - ending	\$ -	\$ 44,717	\$ 187,984	\$ 37,377	\$ -	\$ 9,402	\$ -

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	K-9 DONATION	WATER BILL DONATION	POLICE DONATION	CRIMINAL INVESTIGATION	POLICE RESERVES	VISA	RD CAPITALIZATION INT
Cash and investments - beginning	\$ -	\$ 100	\$ 2,122	\$ 1,454	\$ 2,616	\$ 84,505	\$ 21,455
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	450	-	-	222,512	-
Total receipts	-	-	450	-	-	222,512	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	614	1,236	1,333	-	-
Other services and charges	-	-	400	-	-	3,396	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	282,621	21,455
Total disbursements	-	-	1,014	1,236	1,333	286,017	21,455
Excess (deficiency) of receipts over disbursements	-	-	(564)	(1,236)	(1,333)	(63,505)	(21,455)
Cash and investments - ending	\$ -	\$ 100	\$ 1,558	\$ 218	\$ 1,283	\$ 21,000	\$ -

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	RD DEBT RESERVE ACCT	RD TAX INCREMENT ACCT	CEDIT BOND	COPS GRANT JUSTICE PROGRAM	SRF - DSR	SRF SINKING FUND	PAYROLL
Cash and investments - beginning	\$ 44,048	\$ 148,304	\$ 301	\$ 14	\$ 285,825	\$ 225,427	\$ 2,286
Receipts:							
Taxes	-	37,683	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	21,709	-	-	6	284,255	545,882
Total receipts	-	59,392	-	-	6	284,255	545,882
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	360	-	-	-	-	-
Other services and charges	-	3,290	-	-	-	-	-
Debt service - principal and interest	-	43,105	-	-	-	281,223	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	541,793
Total disbursements	-	46,755	-	-	-	281,223	541,793
Excess (deficiency) of receipts over disbursements	-	12,637	-	-	6	3,032	4,089
Cash and investments - ending	\$ 44,048	\$ 160,941	\$ 301	\$ 14	\$ 285,831	\$ 228,459	\$ 6,375

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	SEWAGE UTILITY OPERATING	SEWAGE UTL DEPRECIATION	SEWER TAPS	SEWAGE SURPLUS 231 PROJ	SEWAGE TOWN 2001	WATER UTILITY OPERATING	WATER UTL BOND & INTEREST
Cash and investments - beginning	\$ (21,052)	\$ 21,688	\$ 2,000	\$ 2,856	\$ 3,264	\$ 88,269	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	955,799	-	-	-	-	633,008	-
Penalties	20,240	-	-	-	-	5,142	-
Other receipts	121,695	35	-	-	-	6,779	68,963
Total receipts	1,097,734	35	-	-	-	644,929	68,963
Disbursements:							
Personal services	123,711	-	-	-	-	119,707	-
Supplies	-	-	-	-	-	-	-
Other services and charges	52,410	-	-	-	-	53,383	-
Debt service - principal and interest	5,589	-	-	-	-	5,589	68,963
Capital outlay	14,970	-	-	-	-	38,522	-
Utility operating expenses	272,606	-	-	-	-	232,227	-
Other disbursements	385,964	-	-	-	-	113,784	-
Total disbursements	855,250	-	-	-	-	563,212	68,963
Excess (deficiency) of receipts over disbursements	242,484	35	-	-	-	81,717	-
Cash and investments - ending	\$ 221,432	\$ 21,723	\$ 2,000	\$ 2,856	\$ 3,264	\$ 169,986	\$ -

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	WATER UTL DEPRECIATION	WATER UTL METER DEPOSIT	WATER 2011 CONSTRUCTION	WATER TAP FEES	DEBT SERVICE WATER	Stormwater	Totals
Cash and investments - beginning	\$ 49,345	\$ 29,682	\$ 7,518	\$ 10,352	\$ 14,700	\$ -	\$ 1,977,589
Receipts:							
Taxes	-	-	-	-	-	-	340,972
Licenses and permits	-	-	-	-	-	-	14,400
Intergovernmental	-	-	-	-	-	-	919,491
Charges for services	-	-	-	-	-	-	663
Fines and forfeits	-	-	-	-	-	-	9,374
Utility fees	-	-	-	-	-	-	1,588,807
Penalties	-	-	-	-	-	-	25,382
Other receipts	75	8,700	-	-	-	-	1,537,116
Total receipts	75	8,700	-	-	-	-	4,436,205
Disbursements:							
Personal services	-	-	-	-	-	-	460,358
Supplies	-	-	-	-	-	-	56,976
Other services and charges	-	-	-	-	-	-	314,200
Debt service - principal and interest	-	-	-	-	-	-	417,842
Capital outlay	-	-	-	-	-	-	702,890
Utility operating expenses	-	-	-	-	-	-	504,833
Other disbursements	-	2,200	-	-	-	-	1,504,850
Total disbursements	-	2,200	-	-	-	-	3,961,949
Excess (deficiency) of receipts over disbursements	75	6,500	-	-	-	-	474,256
Cash and investments - ending	\$ 49,420	\$ 36,182	\$ 7,518	\$ 10,352	\$ 14,700	\$ -	\$ 2,451,845

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014

	GENERAL FUND	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	LOCAL LAW ENF CONT ED	PARK DONATION	RAINY DAY	ECONOMIC DEV INCOME TAX
Cash and investments - beginning	\$ 428,063	\$ 56,972	\$ 36,094	\$ 4,557	\$ 1,817	\$ 94,981	\$ 260,320
Receipts:							
Taxes	315,534	-	-	-	-	-	-
Licenses and permits	21,255	-	-	1,345	-	-	-
Intergovernmental	192,262	130,473	11,190	-	-	-	52,845
Charges for services	168	-	-	440	-	-	-
Fines and forfeits	-	-	-	1,558	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	10,947	952	-	9,324	3,023	-	-
Total receipts	<u>540,166</u>	<u>131,425</u>	<u>11,190</u>	<u>12,667</u>	<u>3,023</u>	<u>-</u>	<u>52,845</u>
Disbursements:							
Personal services	246,460	45,385	-	-	-	-	-
Supplies	45,069	29,102	129	-	-	803	-
Other services and charges	127,170	39,102	11,623	10,896	-	8,100	17,550
Debt service - principal and interest	89,029	-	-	-	-	-	88,000
Capital outlay	1,933	5,167	-	-	-	-	105,764
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	12,724	-	-	300	-	-	-
Total disbursements	<u>522,385</u>	<u>118,756</u>	<u>11,752</u>	<u>11,196</u>	<u>-</u>	<u>8,903</u>	<u>211,314</u>
Excess (deficiency) of receipts over disbursements	<u>17,781</u>	<u>12,669</u>	<u>(562)</u>	<u>1,471</u>	<u>3,023</u>	<u>(8,903)</u>	<u>(158,469)</u>
Cash and investments - ending	<u>\$ 445,844</u>	<u>\$ 69,641</u>	<u>\$ 35,532</u>	<u>\$ 6,028</u>	<u>\$ 4,840</u>	<u>\$ 86,078</u>	<u>\$ 101,851</u>

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	LEVY EXCESS FUND	CUM CAP IMP - CIG TAX	CUM CAP DEVELOPMENT	RIVERBOAT	OCRA Grant Fund	Food & Beverage	BIRTHDAY CELEBRATION
Cash and investments - beginning	\$ -	\$ 44,717	\$ 187,984	\$ 37,377	\$ -	\$ 9,402	\$ -
Receipts:							
Taxes	-	-	31,539	-	-	92,441	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	5,745	2,088	12,867	150,000	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	3	-	-	-	-	4,952
Total receipts	-	5,748	33,627	12,867	150,000	92,441	4,952
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	64	738
Other services and charges	-	-	-	10,272	-	11,100	4,165
Debt service - principal and interest	-	-	41,306	-	-	-	-
Capital outlay	-	3,339	37,429	-	150,000	31,915	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	50
Total disbursements	-	3,339	78,735	10,272	150,000	43,079	4,953
Excess (deficiency) of receipts over disbursements	-	2,409	(45,108)	2,595	-	49,362	(1)
Cash and investments - ending	\$ -	\$ 47,126	\$ 142,876	\$ 39,972	\$ -	\$ 58,764	\$ (1)

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	K-9 DONATION	WATER BILL DONATION	POLICE DONATION	CRIMINAL INVESTIGATION	POLICE RESERVES	VISA	RD CAPITALIZATION INT
Cash and investments - beginning	\$ -	\$ 100	\$ 1,558	\$ 218	\$ 1,283	\$ 21,000	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	5,357	-	1,222	-	-	277,922	-
Total receipts	<u>5,357</u>	<u>-</u>	<u>1,222</u>	<u>-</u>	<u>-</u>	<u>277,922</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	219	-	-	218	-	-	-
Other services and charges	2,721	-	2,751	-	773	4,414	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	100	-	-	-	268,323	-
Total disbursements	<u>2,940</u>	<u>100</u>	<u>2,751</u>	<u>218</u>	<u>773</u>	<u>272,737</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>2,417</u>	<u>(100)</u>	<u>(1,529)</u>	<u>(218)</u>	<u>(773)</u>	<u>5,185</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,417</u>	<u>\$ -</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 510</u>	<u>\$ 26,185</u>	<u>\$ -</u>

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	RD DEBT RESERVE ACCT	RD TAX INCREMENT ACCT	CEDIT BOND	COPS GRANT JUSTICE PROGRAM	SRF - DSR	SRF SINKING FUND	PAYROLL
Cash and investments - beginning	\$ 44,048	\$ 160,941	\$ 301	\$ 14	\$ 285,831	\$ 228,459	\$ 6,375
Receipts:							
Taxes	-	35,996	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	189	-	-	-	285,043	662,540
Total receipts	-	36,185	-	-	-	285,043	662,540
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	62,354	-	-	-	-	-
Debt service - principal and interest	-	44,033	-	-	-	282,135	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	14	-	-	658,827
Total disbursements	-	106,387	-	14	-	282,135	658,827
Excess (deficiency) of receipts over disbursements	-	(70,202)	-	(14)	-	2,908	3,713
Cash and investments - ending	\$ 44,048	\$ 90,739	\$ 301	\$ -	\$ 285,831	\$ 231,367	\$ 10,088

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	SEWAGE UTILITY OPERATING	SEWAGE UTL DEPRECIATION	SEWER TAPS	SEWAGE SURPLUS 231 PROJ	SEWAGE TOWN 2001	WATER UTILITY OPERATING	WATER UTL BOND & INTEREST
Cash and investments - beginning	\$ 221,432	\$ 21,723	\$ 2,000	\$ 2,856	\$ 3,264	\$ 169,986	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	885,771	-	1,000	-	-	634,415	-
Penalties	22,897	-	-	-	-	8,276	-
Other receipts	8,833	42,222	-	-	-	5,413	78,167
Total receipts	<u>917,501</u>	<u>42,222</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>648,104</u>	<u>78,167</u>
Disbursements:							
Personal services	128,905	-	-	-	-	143,687	-
Supplies	-	-	-	-	-	-	-
Other services and charges	13,903	-	-	-	-	13,903	-
Debt service - principal and interest	93,902	-	-	-	-	93,902	72,300
Capital outlay	88,987	11,078	-	-	-	64,486	-
Utility operating expenses	404,161	1,334	-	-	-	270,948	-
Other disbursements	319,977	-	-	2,856	3,264	157,895	-
Total disbursements	<u>1,049,835</u>	<u>12,412</u>	<u>-</u>	<u>2,856</u>	<u>3,264</u>	<u>744,821</u>	<u>72,300</u>
Excess (deficiency) of receipts over disbursements	<u>(132,334)</u>	<u>29,810</u>	<u>1,000</u>	<u>(2,856)</u>	<u>(3,264)</u>	<u>(96,717)</u>	<u>5,867</u>
Cash and investments - ending	<u>\$ 89,098</u>	<u>\$ 51,533</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,269</u>	<u>\$ 5,867</u>

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	WATER UTL DEPRECIATION	WATER UTL METER DEPOSIT	WATER 2011 CONSTRUCTION	WATER TAP FEES	DEBT SERVICE WATER	Stormwater	Totals
Cash and investments - beginning	\$ 49,420	\$ 36,182	\$ 7,518	\$ 10,352	\$ 14,700	\$ -	\$ 2,451,845
Receipts:							
Taxes	-	-	-	-	-	-	475,510
Licenses and permits	-	-	-	-	-	-	22,600
Intergovernmental	-	-	-	-	-	-	557,470
Charges for services	-	-	-	-	-	-	608
Fines and forfeits	-	-	-	-	-	-	1,558
Utility fees	-	-	-	1,000	-	7,340	1,529,526
Penalties	-	-	-	-	-	121	31,294
Other receipts	53,776	8,260	-	-	-	-	1,458,145
Total receipts	<u>53,776</u>	<u>8,260</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>7,461</u>	<u>4,076,711</u>
Disbursements:							
Personal services	-	-	-	-	-	-	564,437
Supplies	-	-	-	-	-	-	76,342
Other services and charges	-	-	-	-	-	-	340,797
Debt service - principal and interest	-	-	-	-	-	-	804,607
Capital outlay	50,392	-	-	-	-	-	550,490
Utility operating expenses	-	-	-	-	-	3,353	679,796
Other disbursements	-	11,256	7,518	-	-	-	1,443,104
Total disbursements	<u>50,392</u>	<u>11,256</u>	<u>7,518</u>	<u>-</u>	<u>-</u>	<u>3,353</u>	<u>4,459,573</u>
Excess (deficiency) of receipts over disbursements	<u>3,384</u>	<u>(2,996)</u>	<u>(7,518)</u>	<u>1,000</u>	<u>-</u>	<u>4,108</u>	<u>(382,862)</u>
Cash and investments - ending	<u>\$ 52,804</u>	<u>\$ 33,186</u>	<u>\$ -</u>	<u>\$ 11,352</u>	<u>\$ 14,700</u>	<u>\$ 4,108</u>	<u>\$ 2,068,983</u>

TOWN OF CLOVERDALE
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2014

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ -	\$ 114,141
Water	-	49,925
Governmental activities	-	-
Stormwater	-	1,854
	-	1,854
Totals	\$ -	\$ 165,920

TOWN OF CLOVERDALE
SCHEDULE OF LEASES AND DEBT
December 31, 2014

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Revenue bonds	2014 Redevelopment Refunding Bonds	\$ 387,000	\$ 28,303
Wastewater:			
Revenue bonds	2003 Sewage Works Revenue Bonds	757,000	92,020
Revenue bonds	2006 Sewage Works Revenue Bonds	1,636,000	137,080
Revenue bonds	2007 Sewage Works Revenue Bonds	<u>560,000</u>	<u>52,508</u>
	Total Wastewater	<u>2,953,000</u>	<u>281,608</u>
Water:			
Revenue bonds	2011 Waterworks Refunding Bonds	<u>600,000</u>	<u>70,400</u>
	Totals	<u>\$ 3,940,000</u>	<u>\$ 380,311</u>

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TOWN OF CLOVERDALE
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2014

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 37,896
Infrastructure	282,469
Buildings	100,680
Improvements other than buildings	304,843
Machinery, equipment, and vehicles	700,482
Total governmental activities	1,426,370
Wastewater:	
Land	20,000
Buildings	1,597,970
Improvements other than buildings	2,476,712
Machinery, equipment, and vehicles	1,768,846
Total Wastewater	5,863,528
Water:	
Land	61,804
Buildings	17,938
Improvements other than buildings	3,142,646
Machinery, equipment, and vehicles	651,580
Total Water	3,873,968
Stormwater:	
Machinery, equipment, and vehicles	2,000
Total capital assets	\$ 11,165,866

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE TOWN OF CLOVERDALE, PUTNAM COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited the Town of Cloverdale's (Town) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the period of January 1, 2013 to December 31, 2014. The Town's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Town's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on the Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the period of January 1, 2013 to December 31, 2014.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)


Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

January 7, 2016

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTE

The Schedule of Expenditures of Federal Awards and accompanying note presented were approved by management of the Town. The schedule and note are presented as intended by the Town.

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TOWN OF CLOVERDALE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended December 31, 2013 and 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-13	Total Federal Awards Expended 12-31-14
<u>Department of Housing and Urban Development</u>					
CDBG - State-Administered CDBG Cluster					
Community Development Block Grants - State's Program and Non-Entitlement Grants in Hawaii	Indiana Office of Rural and Community Affairs				
Lift Station Upgrade		14.228	B-11-DC-18-0001	\$ 530,880	\$ -
Township Fire Truck			CF-12-206	-	150,000
Total - CDBG - State-Administered CDBG Cluster				<u>530,880</u>	<u>-</u>
Total - Department of Housing and Urban Development				<u>530,880</u>	<u>150,000</u>
Total federal awards expended				<u>\$ 530,880</u>	<u>\$ 150,000</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF CLOVERDALE
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of towns with populations under 5,000 shall be conducted biennially. Such audits shall include both years within the biennial period.

TOWN OF CLOVERDALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Program:

Name of Federal Program or Cluster

CDBG - State Administered CDBG Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2014-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Town did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The Town should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors: one of the two reported federal projects was reported with an incorrect CFDA number, program title, and federal agency. Audit adjustments were proposed, accepted by the Town, and made to the SEFA presented in this report.

TOWN OF CLOVERDALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the Town. The document is presented as intended by the Town.



Council Members

Coweta Patton, President
Don Sublett, Vice President
Larry Fidler, Member
Gary Bennington, Member
Cindy Holland, Member

CORRECTIVE ACTION PLAN

FINDING 2014-001

Cheryl Galloway Clerk Treasurer

765-795-6033

When the Schedule of Federal Awards is prepared for "2015", The Clerk Treasurer will go to the Federal Clearing House website to verify that each and every grant title report agrees with the CFDA number.

Once the Town's accounting consultant, Charlene Brown, prepares the SEFA from the Town's records, the Clerk-Treasurer and Town Council President will review the schedule for accuracy before it is submitted in Gateway.

This procedure will begin immediately

Cheryl Galloway
(Signature)

Clerk Treasurer
(Title)

1-6-16
(Date)

154 S. Main Street, P.O. Box 222 Cloverdale, IN 46120

PH. (765) 795-6033 Fax (765) 795-4405

OTHER REPORTS

In addition to this report, other reports may have been issued for the Town. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.